This record is a partial extract of the original cable. The full text of the original cable is not available.

C O N F I D E N T I A L SECTION 01 OF 02 TEGUCIGALPA 001859

SIPDIS

STATE FOR WHA/CEN, WHA/EPSC, INR/IAA, DRL/IL, AND EB/IFD STATE FOR CA/OCS/ACS/WHA AND DS TREASURY FOR DDOUGLASS STATE PASS AID FOR LAC/CAM DOL FOR ILAB

E.O. 12958: DECL: 09/08/2015

TAGS: PGOV PREL ECON EPET ELAB PHUM CASC ASEC HO
SUBJECT: HONDURAN GAS PRICE PROTESTS RATTLE PRESIDENT
MADURO; LEADING PRESIDENTIAL CANDIDATES PLAY POLITICS

REF: A. TEGUCIGALPA 1851

¶B. TEGUCIGALPA 1842 ¶C. TEGUCIGALPA 1837

Classified By: Charge d'Affaires a.i. James G. Williard; reasons 1.4 (b) and (d).

- 11. (C) A harried Honduran President Ricardo Maduro telephoned the Charge late on September 7, saying that he might declare a "State of Siege" to deal with the crisis on the streets. The president bitterly charged Liberal Party presidential candidate Manuel "Mel" Zelaya with inciting insurrection throughout the country. Maduro called Zelaya a political opportunist and totally irresponsible. He blamed the Liberal Party for literally feeding the taxi and bus strikers to keep the blockades going and particularly blasted Zelaya for advocating the elimination of the fuel tax. Loss of the gas tax, according to Maduro, would mean the unraveling of the IMF accord, the debt relief package, CAFTA, and the Millennium Challenge Account.
- 13. (C) Maduro asked the Charge to contact important political leaders in the Liberal Party to encourage a lowering of the political rhetoric, fiscal responsibility, and the rule of law. He further requested that the Embassy consider making a public statement in support of the government, underscoring that fuel prices are largely determined by the international market. Maduro referred several times to Catholic Church Cardinal Oscar Rodriguez's statement earlier in the day asking for common sense and the de-politicization of the fuel price issue. (Note: The Cardinal also stated that gas purchased prior to the international price rise should not be sold at current market prices. End Note.)
- 14. (C) In response, the Charge agreed to contact Liberal Party leaders and said that we would carefully consider any public statements on the situation. Subsequently, Charge telephoned former President Carlos Flores (Liberal Party) who is owner of one of the nation's leading dailies (La Tribuna). A/DCM spoke with Patricia Rodas, chief advisor to Mel Zelaya and President of the Liberal Party, and PolChief also contacted Rodas and other Honduran contacts (as well as the Ops Center). PolChief emphasized to Rodas that the U.S. hoped to see the current problem solved peacefully through dialogue. Charge also spoke with Canada's Mission Director who heads the G-16 international donor group and discussed the possibility of convening a meeting that would jointly call for social peace, rule of law, and fiscal restraint.
- 15. (C) Former President Flores told Charge that he would be meeting within minutes with other news media chiefs to see what could be done to calm the situation. He asked to use the Charge's phone call to convey to his colleagues (and sometimes political rivals) the seriousness of the situation. Flores also said that the group of media reps would host a meeting of the Media Association on September 8 in an effort to lessen public tension. He additionally commented that Maduro had failed to manage the situation well, having announced a very dramatic price increase with no consultations. Charge responded that this may be a valid criticism, but needed to be aired in a dignified, civil manner and not be argued on the streets with accompanying violence.
- 16. (C) The crisis was solved in the early hours of September 8, thanks to a congressional decree reversing the recent gas price hikes and naming of a commission of notables to study the issue and report back within 10 days (see septel). The solution apparently killed any possible "State of Siege" declaration.
- 17. (C) Rodas told A/DCM and PolChief in a meeting the morning of September 8 that the Liberal Party had been feeding the taxi driver protesters, but that the Liberal Party had not organized the protests, saying it was the drivers themselves that had done so. Rodas said she was deeply suspicious of National Party presidential candidate Porfirio "Pepe" Lobo, noting how he was using his position as President of the

Congress to be seen as rescuing the country from a crisis. She noted that he was doing this in a way that allowed him to distance himself from a not very popular president from his own National Party.

18. (C) Comment: Maduro was overreacting when talking of a possible "State of Siege," but the protests did shake him and were notable for their staying power. As with past crises, a negotiated solution has brought an end to the gas price demonstrations and road blockades. While Maduro is understandably frustrated at the Liberal Party's taking advantage to reap political gain in advance of the November 27 elections, as freely admitted by Rodas to EmbOffs, Lobo's actions were also opportunistic, as he tries to triangulate himself into being seen as a man for the people. Neither Zelaya nor Lobo's actions should come as a surprise in a bitter election battle that essentially appears a dead heat less than three months before the vote. End Comment. Williard